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Seventh session

Preparatory Committee for the Second
United Nations Conference on the Least
Developed Countries
(Geneva, 26 March 1990)

DECLARATION BY THE MINISTERS OF THE LEAST DEVELOPED COUNTRIES

Note by the UNCTAD secretariat

At the request of the Foreign Minister, Government of Bangladesh, and Chairman, Ministerial Meeting of the Least Developed Countries, the attached text of the Declaration by the Ministers of the Least Developed Countries, adopted at their meeting in Dhaka, is being circulated as a document of the Intergovernmental Group on the Least Developed Countries acting as the Preparatory Committee for the Second United Nations Conference on the Least Developed Countries.

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MINISTERIAL MEETING OF THE
LEAST DEVELOPED COUNTRIES

DHAKA, BANGLADESH
10-12 FEBRUARY 1990

ENGLISH
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I. DECLARATION BY THE MINISTERS OF THE LEAST DEVELOPED COUNTRIES AT THEIR MEETING IN DHAKA, BANGLADESH

1. We, the Ministers of the Least Developed Countries, meeting in Dhaka, Bangladesh from 10 to 12 February 1990, express our deep concern at the deteriorating socio-economic situation in our countries. We also underscore that the Least Developed Countries continue to suffer from formidable structural handicaps and one or more serious geographical or climatological constraints, which constitute serious problems for their development efforts.

2. We note with deep concern that, even after a decade since the adoption of the Substantial New Programme of Action (SNPA) for the 1980s for the LDCs, the main objectives of which remain valid, our countries continue to witness socio-economic deterioration and increasing marginalization of their position in the world economic scene. Prices of our export commodities continue to decline significantly. Technological changes and structural transformations that are making rapid headway and quickly reshaping the world economy have largely by-passed our countries. We express serious concern at the inadequate flow of external resources, insufficiency of other support measures and a precipitous worsening of the external environment for development of the LDCs. Our countries, the weakest among the developing countries, are experiencing serious social and political consequences of adjustment.

3. We underscore the exceptional severity with which the external debt crisis has constricted the development efforts in the LDCs. We express deep concern at the fact that the international community has so far failed to respond adequately to this most serious problem.

4. We strongly reaffirm that the LDCs themselves have the primary responsibility for their socio-economic development. Accordingly, we have undertaken reforms and adjustments in our economies in order to restore growth and development. These have often been painful. However, as a result of the weakness and formidable structural handicaps of the LDCs, no amount of domestic efforts would yield the required rate of growth in the LDCs, if they are not complemented by adequate external resources which should be predictable, timely and sustained. We urge the donor community to make a stronger and renewed commitment in respect of their share in the overall resource requirements of the LDCs. We express our firm conviction that, given the necessary political will, creation of these and other enabling external factors for development of LDCs is not beyond the capacity of the international community.

5. We particularly appreciate the actions of some of our development partners which have provided considerable assistance to LDCs in the form of

emergency assistance and have supported our efforts towards reconstruction and reform pursuant to our economic adjustment and reform programmes. We hope that the Second United Nations Conference on LDCs, which is due to be held in Paris in September 1990, would undertake the major task of formulating and adopting an effective Plan of Action for LDCs for the decade of the 1990s that would arrest a further deterioration in these countries and reactivate growth and development, putting them back on the path of sustained development. We wish to avail ourselves of this opportunity to thank the Government of France for having generously offered to host the Second United Nations Conference on LDCs.

6. We stress the need for sustained, co-ordinated and effective follow-up and monitoring of the Plan of Action for the LDCs for the 1990s at the national and global levels. We also underscore the importance of active participation of the LDCs, donor Governments, multilateral agencies and other organs in the United Nations system in such a mechanism.

7. We hope that the recent relaxation of political tensions will not benefit only one group of countries to the detriment of commitments made towards and solidarity with the LDCs. We express our total solidarity with the developing countries and also note the particular importance and relevance of further strengthening co-operation among ourselves.

8. It is in the spirit of this declaration that we have undertaken a comprehensive assessment of the relevant socio-economic trends in LDCs during the 1980s and the overall requirements of the LDCs for the 1990s, with a view to formulating concrete measures for implementation at the national and international levels during the current decade. These form an integral part of the outcome of our meeting and constitute the common position of LDCs on issues to be addressed by the Second United Nations Conference on LDCs. These are reflected in the annexed Dhaka Document finalized by us. In these recommendations we have fully taken into consideration the suggestions and recommendations contained in the Declaration of the Ministers of the African LDCs held in Addis Ababa in April 1989 which, we consider, constitutes a very relevant contribution to the forging of our common position on issues of critical importance to us.

9. In conclusion, we, the Ministers of the LDCs, profoundly thank, on behalf of our respective Governments, His Excellency Mr. Hussain Muhammad Ershad, President of the People's Republic of Bangladesh and the Government and the people of Bangladesh for their commendable initiative for convening this meeting and for their traditional and generous hospitality extended to us. We are convinced that this initiative by Bangladesh will further consolidate our efforts to overcome the development problems confronting our countries.

Done at Dhaka, Bangladesh on this Twelfth Day of February Nineteen Hundred and Ninety A.D.

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II. ANNEX TO MINISTERIAL DECLARATION

DHAKA DOCUMENT ADOPTED BY THE MINISTERS OF THE LEAST DEVELOPED COUNTRIES AT THEIR MEETING HELD FROM 10-12 FEBRUARY 1990 IN DHAKA, BANGLADESH

I.

1. The Ministers of the Least Developed Countries (LDCs) met in Dhaka, Bangladesh from 10-12 February 1990 at the invitation of the Government of the People's Republic of Bangladesh to consider all aspects relating to the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, and to elaborate the position of their countries on the issues to be addressed by this Conference and its preparatory meetings in accordance with United Nations General Assembly resolution 42/177. In the light of their discussions the Ministers adopted the present final document, to be known as the Dhaka Document with the following elements:

Assessment of progress in the socio-economic situations of the Least Developed Countries during the 1980s in the light of on-going national and international efforts

2. During their meeting in Dhaka, the Ministers of LDCs underscored that the assessment of the progress in the socio-economic situation in the least developed countries should adequately reflect the objective reality underpinning their current state of economic development. They further stressed that such an assessment should, inter alia, take due note of the stagnation and deceleration in most least developed countries, and even negative growth in many of them.

3. The Ministers noted that for the LDCs, the 1980s have largely been a period of stagnation in most of the areas, and outright retrogression in some of them. They were distressed that during this period, deterioration of the socio-economic situation continued with economic indicators registering only marginal or no progress. Average per capita income in the LDCs declined for four successive years after a modest increase in 1981 and their aggregate growth performance of 2.3 per cent per year during the period 1980-1987, set against population growth of 2.6 per cent per annum, actually implied a deterioration in the per capita GDP during this period. Only 12 of the 42 LDCs managed to register positive per capita GDP growth over the period 1980-1986 and during the last two years, the pace of growth of some of the LDCs has been severely affected by devastating natural disasters and ecological deterioration and transit difficulties.

4. The Ministers also noted with deep concern the rapid deterioration in the social conditions in LDCs. The number of unemployed and underemployed soared in the LDCs during this period. There has also been an increase in the absolute number of illiterates and a rise in the incidence of child malnutrition. Indicators of average life expectancy at birth, infant mortality and immunization coverage also failed to register any significant improvement.

5. The Ministers noted that the LDCs were obliged to compress their investment throughout the 1980s due, inter alia, to a whole amalgam of unfavourable external factors. The decade witnessed continuing diminution of their purchasing power resulting from a prolonged decline in prices of their commodities and a rising trend in the prices of their imports. In aggregate terms the values of exports from LDCs declined by 0.4 per cent per annum over the 1980-1987 period, their terms of trade worsened at the rate of 2.6 per cent per annum resulting in a trade loss of more than $US1.3 billion during this period. During the period 1982-1986, due to export earnings fluctuations alone, the LDCs lost an average $US 70 million per year.

6. The Ministers further noted that these most discouraging trends in socio-economic conditions have seriously affected the savings capacity and generation of investable surplus in the LDCs. During the 1980s, the LDCs witnessed a significant depletion in their savings capacity as a result of the ineluctable consequences of the need to maintain minimal consumption levels for an ever growing population, declining economic growth and a worsening of their foreign exchange constraint. They further noted that over one third of all LDCs experienced negative savings ratios over extended periods in the 1980s while in the majority of the others they fell significantly short of their actual requirements.

7. The Ministers underscored that, as a result of their savings and foreign exchange constraints during the major part of the 1980s, the LDCs experienced an unabated diminution of their ability to make productive investments and maintain their already limited capital stock. The share of gross investment in GDP declined from 19 per cent in 1981-1983 to about 14 per cent in 1984-1986. As a large part of their investable savings had to be devoted to replacement of existing capital stock, the net investment ratio in the LDCs fell significantly. Further, as about two thirds of their savings had to be devoted to immediate needs, only 2.0 per cent of the GDP on the average could be earmarked for new investment in restructuring and capacity expansion, which represented a little more than a quarter of its level at the beginning of the decade.

8. It was further noted by the Ministers that the accentuation of the savings and foreign exchange constraints, resulting in reduced investment for productive purposes, adversely affected the growth performances of the LDCs for most of the 1980s. This has had its most significant manifestations in the performance of all important sectors of the LDCs, economies. Among others, the performance of the food and agricultural sector has generally been poor during the 1980s. For the period 1980-1987, per capita average annual food production thus declined at a rate of 0.7 per cent, and agriculture in general at a rate of 0.6 per cent. Industry and manufacturing - essentially a residual sector of agriculture - also experienced a decline of 0.4 per cent per annum in per capita output over the period 1980-1985. They also noted that the number of LDCs experiencing either negative absolute industrial growth or marginal growth increased during the same period. They stressed that cutbacks in investment also led to undesirable contractionary effects on the development of such important areas as natural resources including energy, transport and communication, health and medicare, education and human resources, as well as other important segments of their economies.

National efforts during the 1980s

9. The Ministers noted that, despite unprecedented developmental setbacks during the 1980s, major policy reforms were initiated by the least developed countries to carry out structural transformation of their domestic economies, consonant with the objectives of the SNPA. They stressed that reform measures were conceived and implemented to reduce or arrest budgetary and/or balance-of-payment deficits, improve the efficiency of utilization of resources, promote mobilization of domestic resources, and enhance contributions of important sectors of their economy to the GDP.

10. In this connection the Ministers noted that during the 1980s, 23 LDCs, i.e. more than half of the LDCs, formulated and implemented economic stabilization and adjustment programmes in agreement with the International Monetary Fund (IMF). Other LDCs have also been pursuing reform programmes outside the IMF framework. The adjustment programmes carried out by the LDCs during this period placed a heavy accent on introducing greater exchange rate flexibility (currency depreciation) and demand management measures geared towards ensuring fiscal and monetary discipline.

11. The Ministers further noted that a significant number of LDCs have, during the same period, also adopted major reform programmes under the aegis of the World Bank, financed by structural adjustment loans (SAL) or sectoral adjustment loans (SECAL). The programmes have principally been directed towards improving the efficiency of public enterprises, expanding the role of private sectors in the domestic economy, and strengthening the directly productive sectors, particularly agriculture through price incentives. The least developed countries also made strenuous efforts to mobilize financial resources domestically, develop and mobilize their human resources and other critical sectors of their economy. However, the Structural Adjustment Programmes (SAPs) implemented by LDCs in many cases were inadequate to address the problems of the LDCs due to their narrow-focus, pro-cyclic character, excessive emphasis on redressing monetary, fiscal and external imbalances, and their contractionary effects on investment in vital sectors, as well as unusually narrow time frame.

12. It was also noted by the Ministers that several factors severely limited the scope of generation of investable surplus in the LDCs, viz. (i) existence of a large non-monetized sector in the economy; (ii) negative impact on private savings of the worsening of the per capita income in most LDCs over the 1980s; (iii) reduction in government savings as a result of continuing budget deficits; (iv) very low real interest rates which were often negative in real terms and (v) lack of adequate and effective financial institutions and instruments suitable for tapping savings. An additional factor seriously limiting the generation of domestic resources was the inelastic response of the private sectors in LDCs to various financial incentives owing to their underdeveloped character.

International support measures during the 1980s

13. The Ministers recalled with deep appreciation the sensitivity with which the problems of the least developed countries were addressed by the

international community during the 1980s. They, however, noted that although in terms of donors' performance, sustained efforts have been displayed by many developed countries, the real transfer of resources - as measured by the difference between the current account balance and net interest payments adjusted by the import value index for LDCs, declined by more than a quarter in the 1980s. They also noted that the aid performance of 0.09 per cent of donors' GNP fell far short of 0.15 per cent target foreseen in the SNPA. In some cases the ODA/GNP ratio for major DAC donors to LDCS did not register any appreciable improvement. The Ministers observed that these have further aggravated the problems of the LDCs. They further noted that, by all standards, the growth of ODA flows to the LDCs throughout the 1980s has been extremely inadequate and did not correspond to the projections incorporated in the SNPA. In this connection, they underscored the particular importance for the LDCs of the establishment during the 1980s of new mechanisms such as the IMF Structural Adjustment Facility (SAF) and its Enhanced Facilities (ESAF), and the World Bank Special Facility for sub-Saharan Africa. However, access of many LDCs to these facilities remains restricted.

14. The Ministers also noted that there were some improvements in the terms and forms of aid to LDCs. They noted, however, that despite some positive developments, including the shift by several DAC donors to grant or increasingly grant-like terms in their programmes for LDCs, over one third of ODA to LDCs (mainly from multilateral agencies, but also from a number of bilateral donors) continues to be provided in the form of loans, with serious debt implications for the LDCs. The proportion of tied loans has also remained significantly high in the aid-mix extended to the LDCs. The provision of policy-based lending and the use of such resources under specific facilities are subject to numerous comprehensive prescriptions which preclude many LDCs from utilizing them because of difficulties in complying with such prescriptions.

15. The Ministers stressed with deep concern that, despite action in favour of LDCs to alleviate the burden arising from ODA, LDCs' external debt and debt service payments rose sharply during the 1980s. By the end of 1986, total accumulated external debt of LDCs represented over 60 per cent of their combined GDP, and service payments alone absorbed over 30 per cent, and in many cases as much as 50 per cent, of their exports of goods and services. They appreciated, however, that various retroactive terms adjustment measures (RTS), have been undertaken in pursuance of Trade and Development Board resolution 165 (S-IX). They underscored, however, that this resolution is addressed to Governments only and does not cover other donors, including multilateral agencies to which LDCs owe a large share of their debts.

16. The Ministers noted with appreciation the action taken by Paris Club creditors to ease the debt burden of a number of LDCs since the Toronto Economic Summit and implemented by all Paris Club creditors. They observed, however, that the new approach towards alleviating LDCs' debt burden has remained greatly limited as (i) the extension of payment periods envisaged in it is not concessional; (ii) eligibility criteria attached to it are in principle confined to countries undertaking internationally agreed structural adjustment programmes (and thus do not apply to all LDCs); (iii) the measures, instead of dealing with the overall stock of debt, affect only debt service

due during the consolidation period and do not apply to loans contracted after the cut-off date. They further noted in this context that Paris Club renegotiations do not include multilateral creditors to which LDCs owe a considerable part of their obligations.

17. The Ministers underscored that instability in earnings from commodity exports have also continued to affect the planning and the implementation of LDCs' development programmes. During the period 1982-1986, LDCs experienced average shortfalls of $US 370 million per annum in their commodity sector import earnings on account of such instability. The two main international schemes provided compensatory finance in respect of such shortfalls, viz. the IMF Compensatory Financing Facility (CFF) and EEC's STABEX-LDC-ALA, were inadequate to cater to their total requirements. Further the access to IMF-CFF in recent years have increasingly become difficult due to conditionalities attached to it. They noted that, in September 1988, the IMF-CFF was replaced by a new scheme, but its non-concessional terms and conditionality have the distinct potential to discourage extensive use of the facility.

18. The Ministers further noted that during recent years several preference schemes have been established in favour of developing countries. In addition to the EEC, 13 developed countries have taken special commercial policy measures in favour of LDCs, either in the form of preferential treatment in the framework of General System of Preferences (GSP) schemes or of Most Favoured Nation (MFN) tariff concessions, or in the area of non-tariff barriers. Some developed countries have taken certain measures with regard to the rules of origin element of their GSP schemes, in response to requests for more preferential action in this area, in favour of LDCs.

19. The Ministers, however, noted that the GSP benefits accruing to LDCs are far fewer than could be expected for a number of reasons: firstly, agricultural products in Customs Co-operation Council Nomenclature (CCCN) chapters 1-24 are included only to a limited extent in GSP schemes; secondly, consumer prices for tropical products have been kept relatively high in GSP donor countries through the application of high internal taxes; thirdly, in a large number of GSP schemes, semi-processed forms of products tend to be subject to considerably higher tariffs than the primary form, with ensuing disincentives for LDCs to process primary products for exports. Thus, despite the GSP, the problem of tariff escalation continues. Finally, the Ministers also noted that protectionist obstacles (in the form of both tariff and non-tariff barriers) instituted as part of developed countries' market protection policies themselves, also continue to adversely affect the exports from LDCs.

II.

Requirements and measures for a Plan of Action for the Least Developed Countries for the 1990s

20. The Ministers underscored that, given the prevailing development imperatives, the priority goals for LDCs and their development partners during the 1990s would be (i) to halt the deterioration in an already tenuous socio-economic situation of the LDCs and (ii) to put them back on the path of sustained development. They stressed that LDCs themselves have the main responsibility to achieve these two goals and during the decade each LDC will determine its own development strategy and policy priority on the basis, inter alia, of its specific resource endowments, size of market, population, geographical location, institutional capabilities and past experience and performance. The Ministers expressed their deep conviction and hope that the Second United Nations Conference on the Least Developed Countries would adopt an action-oriented Plan of Action for the LDCs for the decade of the 1990s containing a comprehensive set of policies and measures to support the LDCs in their endeavours in this regard.

21. The Ministers further recognized that reactivation of growth and development in LDCs would entail actions aimed at both immediate, short-term and longer-term requirements of their economies. In this regard they agreed that alleviation and eradication of poverty should be accorded high priority in both the short and long term. In this context, they emphasized the need to give priority to the advancement of the poorest with a view to meeting their basic needs and protect the most vulnerable parts of the population in the LDCs. The Ministers also strongly stressed that, in a longer-term context, it would be crucial to accelerate structural transformation of their economies which would require a process involving, inter alia, modernization and full integration of the productive base, development of the dominant sectors in their economies including agriculture, mobilizing human capabilities, optimum exploitation of natural resources and other economic potentials, improving institutional capabilities, sound management of environment, strengthening of the foreign exchange earnings capacity, adoption of appropriate macro-economic policies, and international support measures.

22. Taking into account these broad priorities for the decade, the Ministers underscored the following:

A. National policies for the 1990s

Poverty alleviation

23. The Ministers underscored that in their national policies the LDCs would give high priority during the decade to poverty alleviation and suitably elaborate their policies to give a decided direction in favour of this priority in their development efforts. They recalled that the majority of families in poverty in the least developed countries tend to be without assets, illiterate, and with insufficient access to productive employment. Many of them live either on extremely small farms or on tracts that do not lend themselves to farming because of highly unfavourable climatic and soil

conditions. Poor families have also few income earners relative to the number to be supported. The solution to their problems would have to be sought in increasing employment and income.

24. The Ministers stressed that the strategy to alleviate poverty in LDCs should also take into account the seasonal nature of rural poverty in LDCs, which needs to be addressed adequately in national development policies and programmes. The relevant national actions in this regard should also increasingly be directed towards providing facilities and entitlements which place a safety net under the poor and include concrete actions in such fields as shelter, health and nutrition, supply of drinking water, clothing, and enhancing ability to avoid and withstand natural disasters.

Structural adjustment measures

25. The Ministers emphasized that the adjustment programmes will have to be conceived and implemented as a continuous process of transformation rather than as a discontinuous exercise aimed at ad hoc crisis management and narrowing within a short span of time, monetary, fiscal and external imbalances of LDCs. The programme should be elaborated through a mutually acceptable process that would seek to overcome the structural bottle-necks of LDCs' economies, and to support a human-centered development process in which productive factors would have a prominent role and resources would be increasingly used to transform and diversify the economies of LDCs and at the same time ensure the human dimensions of the consequences of adjustment process, through, inter alia, adequate emphasis on critical needs through provision of and access to essential commodities and production of essential factor inputs and the maintenance of an adequately enhanced investment level.

26. The Ministers noted that the LDCs would continue to implement adjustment measures or take such other measures as are necessary in accordance with their immediate short-term and long-term social and economic objectives. These measures should clearly reflect specific economic, social and institutional characteristics of LDCs and support development priorities established by LDCs within the framework of their respective development plans and programmes during the decade.

27. The Ministers stressed that, in implementing these programmes and such other measures, due consideration would be given, inter alia, to: (i) the individual characteristics and differing magnitude of the problems faced by each least developed country; (ii) resource requirements to support them; and (iii) the question of an adequate time frame which should be suitably conceived to take into account the various development imperatives of each LDC and rigidities in their economies.

Mobilization of domestic resources

28. The Ministers emphasized that during the 1990s LDCs would continue their efforts towards mobilization of available domestic resources for development. To facilitate this, LDCs would make efforts to (i) develop an appropriate network of institutions to mobilize private savings and provide incentives to generate savings; (ii) broaden their tax base without discouraging saving and

investment; (iii) ensure an optimal productive allocation of public funds; (iv) take necessary steps, both in the monetary and fiscal domain, as well as in all other areas to avoid flight of capital, stimulate capital inflow, and encourage price stability.

29. However, it is recognized that, given the magnitude of their development needs and their limited capacity to generate investable surplus, LDCs would continue to critically depend on external support and assistance.

Development and mobilization of human resources and social development

30. The Ministers noted that development of human resources would be a crucial factor for structural transformation and growth in these countries during the decade. The LDCs would further intensity their national efforts during the decade to develop their human resources and to establish mechanisms to ensure their full participation in the development process. The main thrust of the SNPA for the 1980s on human resources and social development continues to be of particular relevance for planning national policies for the 1990s. In this context, measures in such areas as education and training, health and nutrition, population, and integration of women in the development process would receive appropriate priority.

(a) Education and training

31. The Ministers noted that LDCs would set their national goals for human resources development taking into account their respective circumstances. In the education sector it would be a prime objective of LDCs to attain universal primary education as soon as possible and reform their secondary and higher education systems to cope with the growing transformational needs of the LDCs' economies. Vocational training for technical skills and administrative personnel will also be emphasized. Attention should also be given to the full integration of the concerns of the youth in the development process of the LDCs.

(b) Health and Nutrition

32. The Ministers stressed that in the field of health and nutrition, efforts would be made to enhance the capacity of LDCs to manage and plan nation-wide health care systems. Priority will be accorded to child immunization, establishment of local health care centres, particularly in rural areas, extension of pre-natal services, a concerted attack on widely-spread diseases, and improved maternal and child health. In formulating national policies in this area, LDCs would bear in mind the global strategy of attainment of Health for All by the Year 2000.

(c) Population policies

33. The Ministers recognized an urgent need for integrating population policies in their overall development policies and plans.

(d) Integration of women in the development process

34. The Ministers underscored that as part of their efforts to fully mobilize human resources for development and in accordance with their particular circumstances, LDCs would take appropriate measures to involve women fully, both as agents and beneficiaries of growth and the development process.

Modernization of the economic base

35. Expansion and modernization of their economic base are critical factors for the long-term development of the LDCs. However, the payments crisis of the 1980s and the ensuing need to redress external and fiscal disequilibria obliged the LDCs to defer action in this area. The Ministers recognized that there is an urgent need to fully harness the benefits accruing from forward and backward linkage of their modernization efforts. LDCs would also aim to achieve both vertical and horizontal diversification of their economies. In their diversification and modernization efforts, attention should be paid to two critical dimensions: (i) production of essential goods and services to meet needs of the majority of their people, generation of employment, and enhancement of the value-added of their productive endeavour; (ii) the need to overcome difficulties inherent in the monoculture of their economies.

(a) Agricultural development and food security

36. The Ministers emphasized that development of the agricultural sector would rank high among the transformational objectives of the LDCs in the 1990s. Around 80 per cent of the population of the LDCs live in rural areas and agriculture is the dominant sector of production. Rural development thus constitutes an indispensable element of any agricultural development strategy. Development of the agriculture sector would require, inter alia, (i) improvement of the physical, financial and institutional infrastructure on which agricultural production directly depends; (ii) enhancement of the technical skills and know-how of farmers and agricultural workers; (iii) the reform of farming and land tenure systems where feasible aimed at encouraging investment in land and premises and improvements in management; (iv) full integration of the population into the domestic economy and for the strengthening of its purchasing power; (v) diversification of the agricultural base through development of fisheries, livestock, horticulture and forestry; (vi) adoption of appropriate agricultural price and credit policies; (vii) preservation and protection of the environment, including stepped-up efforts for afforestation and the prevention of soil erosion arising from land misuse or overuse, as well as from an excessive dependence on fuelwood consumption as a source of energy. Least developed countries would implement actions in this general direction during the 1990s.

37. In addition, the specific part of the SNPA on food production and food security would be of continuing validity for the LDCs. Important short-term and focused national efforts supported by international assistance would also be needed to rehabilitate and reconstruct the agricultural sector of those LDCs whose economies have been ravaged by serious drought, famine, soil erosion, desertification and other formidable problems.

(b) Exploitation of natural resources

38. The Ministers noted that the level of exploitation of natural resources in LDCs continue to be extremely low. Given the present inadequacy in this area, LDCs would continue to implement suitable plans and programmes. The Ministers recognized that, inter alia, optimal utilization of their mineral and water resources and development and exploitation of domestic energy sources will be of utmost importance for their future development efforts.

(c) Manufacturing sector

39. The Ministers emphasized that the industrial growth of LDCs would continue to be based largely on agriculture and depend on development of their other natural resources, including minerals in certain cases. However, where narrowness of the domestic market constitutes a significant bottle-neck to the development of their industrial sector, they would need to adopt selective import substitution measures and exploit possibilities for expansion of exports of items which are compatible with their factor endowments and other natural advantages. There is also a continuing necessity to keep under constant review the required adjustment in their trade and price policies. An institutional and regulatory framework and an appropriate incentive system should help achieve this objective. LDCs would also continue to give attention to the choice of appropriate technology, development of small and medium-scale industries and the domestic linkages of their investment activities.

40. The LDCs would try to formulate, as is possible and appropriate, a service development policy as part of their industrialization process. Their policies in this regard may concentrate on exploiting the full potentials of the dynamic effects on the rest of their economies resulting from progress in this area.

41. The Ministers noted that a large number of LDCs have undertaken significant reforms in their policies and measures in favour of foreign direct investment (FDI). They would constantly keep under review and continue to improve, whenever possible, conditions necessary to encourage external financial flows including FDI. Recalling that FDI has largely bypassed the LDCs, they emphasized the need for legislative, fiscal and other measures by home countries with a view to encouraging investment in LDCs by foreign investors.

(d) Physical and institutional infrastructure

42. The Ministers underscored that LDCs would continue to give due importance to substantially strengthening their physical and institutional infrastructures which remain very weak and inadequate. They would strive to improve interlinkages between productive, service and infrastructural activities. In the area of physical and institutional infrastructure, LDCs would seek to strike a balance between new investment and the need for maintenance.

(e) Strengthening the scientific and technological base

43. The medium- and long-term development of LDCs would require creation of an adequate scientific and technological base. The Ministers stressed that during the 1990s, LDCs would seek to: (i) place adequate emphasis on science and technology in their national development plans; (ii) enhance endogenous capacity to deal with the development and application of science and technology, inter alia, by (a) strengthening the scientific and technological infrastructures, (b) establishing a scientific and technologically-focused educational system, (c) improving the quality of manpower training, (d) linking production with indigenous research efforts, and (e) devising appropriate mechanisms for practical application of the results of scientific research; (iii) find alternatives to the export of traditional raw materials by the development of new products and processes, and thus ensuring the competitiveness of LDC exportable goods.

Environment

44. Environmental deterioration poses a serious problem for the present and future development prospects of LDCs. In the majority of LDCs, most of the pressing environmental problems result directly from poverty, unemployment and population pressures which often compel the poor to adopt unsound farming, grazing or fishing methods or to settle on ecologically fragile marginal lands. During the 1990s, LDCs would initiate, within their available capacity, measures to contain environmental deterioration without slowing the pace of their development. Measures in this regard would include improvement in the management of their renewable resources with a view to ensuring the greatest future benefit possible without adversely affecting present needs or reducing the carrying capacity of the environment. Supported by appropriate and adequate international support measures, it would be also one of the main endeavours of the LDCs to achieve a balance between human demands on the natural resource base for future as well as present generations, and to maximize the ability of the environment to meet these demands.

Natural disasters, preparedness and preventive measures

45. In view of the colossal damage caused to the economies of the LDCs by the recurrence of natural disasters, the LDCs would continue to undertake measures within their available capacity, with appropriate international co-operation to: (i) alleviate and mitigate the consequences of such disasters; (ii) limit the extent of their damage and (iii) undertake feasible preventive measures.

Changing domestic policy environment

46. The Ministers recognized the need for the LDCs to adapt their micro-economic policies as and when necessary, to their long-term development objectives. In this regard, they recognize the importance of appropriate orientation to be imparted to their exchange rate régimes, import policies, price incentives and subsidies, monetary expansion and the level of fiscal expenditure and revenue. The scope of their action in this regard should appropriately be guided, inter alia, by the stage of their economic

development, nature and extent of various rigidities in their economies, the potential gains from such policy readjustments and their implications for income distribution, domestic price structure and, in particular, for the poorer segment of population.

Indigenous enterprise sector and public sector

47. The indigenous enterprise sector, inasmuch as it exists in LDCs, has an important role to play in modernizing LDC economies and achieving national development objectives. The Ministers noted that during the 1990s the LDCs would continue to take measures, as appropriate, to encourage indigenous entrepreneurship. The LDCs would take measures aimed at creating an appropriate legal and institutional framework for the conduct of activities of private entrepreneurship.

48. As entrepreneurial capacity and private capital are scarce in most LDCs the public sector would need to take a leading and supportive role in LDCs economies. The LDCs would take steps to strike a pragmatic balance between public and private sectors. The LDCs will also adopt measures to secure effective functioning of public enterprises, including establishment, where necessary, of improved policy mandates, objectives and accounting and institutional procedures.

B. International support measures for the 1990s

49. The Ministers underscored that, while the success of their development programmes during the 1990s will heavily depend on their own efforts to achieve substantial economic and social progress, they would continue to critically depend on the supportive external economic environment and adequate assistance from the international community. Taking due account of this objective reality, the Ministers emphasized the importance of the following international support for implementation during the 1990s.

Financial and technical assistance

50. The Ministers stressed that the development partners of LDCs should undertake during the 1990 Conference to substantially increase their official development assistance to LDCs. For development assistance to make sustained contribution to development of LDCs, it will have to be geared to the support of overall objectives of their development policies. Volume, timeliness and terms of such aid to LDCs should correspond to their immediate short-term and long-term development needs. These should also be supportive of and commensurate with the growing requirements of LDCs' adjustment and their broader development efforts.

51. The Ministers underscored the importance of reaffirming by the Conference the targets of 0.15 per cent of donors' GNP for ODA to LDCs or doubling their current level of ODA to these countries. While noting the most commendable efforts by those donors which have fulfilled either one or both of these targets, they urged others which have not done so to endeavour to attain these targets as soon as possible within an agreed time frame. The Conference

should also urge donors and all concerned to take into account, in the formulation of their aid policies for the decade for LDCs, the recovery scenario contained in UNCTAD secretariat document A/CONF.147/DR/2.

52. The Ministers emphasized that in view of the importance of the multilateral assistance, concerned agencies/organizations/institutions should direct to LDCs substantial and increasing volume of concessional assistance to LDCs on a priority basis. To this end, they also hoped that the 1990 Conference would urge for substantial increases in real terms in IDA resources and those of all concerned Regional Development Banks and Funds to enable them to adequately cope with the lending programmes put into operation to assist the LDCs.

53. The Ministers underlined the crucial importance of comprehensive IMF initiatives to increase its assistance to LDCs under specific facilities and urged the Fund to take fully into account the special economic and social conditions of LDCs in the operation of and access to these facilities. They also called for greater co-operation between the World Bank and the IMF in ensuring effective assistance to the LDCs. Other relevant institutions should also continue to play their respective roles in this regard.

54. The Ministers reiterated the importance of concessional assistance to LDCs and noted that the overall volume of multilateral assistance to LDCs through such channels as IDA, IFAD, Regional Banks and their Funds, UNDP including its special measures fund for LDCs, United Nations Capital Development Fund and United Nations Volunteer Programme should be enhanced substantially to meet the increased development needs of the LDCs during the 1990s. They also hoped that the Conference would urge donors, including those who have not to date participated in these institutions to channel a substantial part of their aid through these institutions. Greater use should be made of revolving funds.

55. The shortage of skilled manpower poses a major constraint on implementation and management of development programmes in many least developed countries. Technical assistance programmes should include, inter alia, the provision of experts integrated with local counterparts training as an important component of development assistance in the 1990s. In this regard it is also imperative that donors' fellowship programmes should be flexible enough as to finance training in third countries.

56. Development partners of LDCs should also continue to provide emergency assistance to LDCs afflicted by food shortages, natural calamities and other emergencies, and contribute to financing of relief operations. The Ministers emphasized that in observing the International Decade for Natural Disaster Reduction (IDNDR), the international community should give priority attention to solution of problems caused by natural disasters in the LDCs.

57. The Ministers noted that assistance provided to the least developed countries for programmes for environmental protection should constitute a true additionality. They also underscored the importance of extending appropriate technical assistance to the least developed countries in all relevant fields in keeping with their national requirement.

58. The Ministers recognized the different and complex situations and conditions that exist among developing countries and the consequent need for the activities of the United Nations development system to respond effectively to them. They stressed the need for substantial increase in resources for operational activities for development on a predictable, continuous and assured basis commensurate with the increasing and special needs of the LDCs. In this regard they called for a substantial increase in the share of resources to be allocated to the LDCs during the future cycles of UNDP, commencing with the fifth cycle (1992-1996), as compared to the share during the fourth cycle, as well as that of other United Nations organizations.

59. They also reaffirmed the need for priority allocation of scarce grant resources to programmes and projects in the LDCs.

Aid modalities and aid effectiveness

60. The Ministers expressed the hope that the Conference would urge the donors, including international financial institutions, to provide timely assistance to support the efforts of the LDCs to implement their development programmes. Further steps should be taken by donors to provide bilateral ODA to the LDCs essentially in the form of grant, and to provide loans on highly concessional terms. Necessary steps should be taken to ensure that ODA loans and grants would be untied to the maximum extent. There should also be further simplification and standardization of procurement procedures, including tendering.

61. The Ministers urged the donors to make efforts to minimize the time-lag between aid commitment and disbursement. To this end they underscored the importance of advancing disbursement whenever possible. They also urged their development partners to ensure greater predictability of disbursement through, inter alia, multi-year programming of assistance.

62. The Ministers stressed that to improve aid absorption by LDCs the Conference should recommend the donors to further increase their participation in local and recurring cost financing as budgetary constraints that have been frequently experienced in this respect greatly hinder execution of development programmes in the LDCs.

63. The Ministers expressed the hope that conscious efforts would be made to harmonize and simplify existing aid procedures to support domestic adjustment measures undertaken by the LDCs. The development partners should consider providing assistance in more flexible forms, in particular towards balance-of-payments support, and rehabilitation and improved maintenance at sectoral level, as well as for achieving longer-term development objectives.

64. The Ministers noted that technical assistance to LDCs should aim at enhancing and strengthening their capacity to formulate and implement their national policies and programmes and to address the basic structural rigidities of their economies. They also noted possibilities for joint international action in the area of technical assistance in support of improved management capacity and development of infrastructure. Technical assistance should be demand-related and not supply-oriented. Preference should be given to local consultants.

65. The Ministers also recognized the effectiveness of providing small-scale capital assistance on a grant basis which benefits the lower income group, such as that provided by UNCDF, and contributes to poverty alleviation. This form of assistance fosters local participation in national economic development and social progress while releasing people's full potential through improved access to facilities for production and cost-effective social services.

Debt problems and measures for debt relief

66. The Ministers called for total write-off of all debt of LDCs owed to all creditors immediately. They stressed that such measures including in particular further action to fully implement TDB resolution 165 (S-IX) should contribute to improving their financial situation and promoting their long-term sustained growth. Resources thus provided should be truly additional to aid allocation to the LDCs, and all LDCs should be eligible for such facilities.

67. The Ministers emphasized greater use and improvement of the Toronto options, inter alia, by (i) widening eligibility to cover all LDCs; (ii) encouraging the maximum use of concessional options by creditor countries, both participants and non-participants at the Paris Club; (iii) significantly enhancing the grant element of the measures; (iv) widening the coverage of consolidation to 100 per cent of Paris Club obligation; (v) applying multi-year rescheduling; (vi) ensuring additionality through closer co-ordination between the Paris Club on the one hand, and the UNDP round table and World Bank Consultative Groups for LDCs on the other.

68. The Ministers deeply regretted that there has been no viable solution so far to the problems of the multilateral debt of the LDCs, which constitutes a serious problem affecting all LDCs. They consequently underscored the need for setting up such arrangements as interest-subsidy and refinancing schemes, allowing past loans to be converted to IDA terms, similar to the newly established IBRD reserve fund.

69. The Ministers underscored that substantially increased concessional finance, especially in grant form, should be extended to the LDCs to resume their growth so as to enable them to cope with their debt burden in the long run.

70. The Ministers recognized that specific measures and incentives should be introduced by their development partners, particularly by donor countries, to facilitate non-debt-creating capital flows to the LDCs, especially in the form of foreign direct investment.

71. Many LDCs have adopted policy reforms to make their investment climate more conducive to foreign investment. However, the persistence of meagre foreign investment flows clearly shows that measures taken by LDCs alone cannot be effective and the Ministers therefore underscored the need for developed countries to implement measures specifically aimed at encouraging foreign investment in least developed countries in conformity with the latter's development objectives.

72. They also noted at the same time the need for other measures to alleviate the debt-servicing burden of the LDCs, including technical assistance and measures in such areas as commodities and market access.

73. The Ministers felt that where the commercial debt poses a serious problem for LDCs, measures to reduce such debt stock should also be considered. They underscored the need to consider the possibility of introducing tax relief and regulatory measures to induce banks to write-off debts out of their profits. They stressed that development partners of the LDCs should also support buy-back schemes along the lines of those implemented in some developing countries, and in appropriate cases conversion of debt into equity. The Ministers underscored the possibility of renegotiation on improved terms for their past debt in specific cases.

Commodities, compensatory financing, access to markets

Commodities

74. The Ministers underscored that LDCs have greatly suffered during the 1980s due to a decline in their basic commodity prices. In the light of recent experience, they stressed the following:

(1) The 1990 Conference should urge the international community to extend assistance to the LDCs in the field of commodities which should include, inter alia, better market transparency, increased market access, reduced trade distortions and other institutional assistance. Sustained efforts should also be directed at providing support for selective structural measures, including technical assistance for improved management capacity.

(2) In view of the entry into force of the Common Fund for Commodities, the Conference may consider urging all concerned to provide specific assistance to the LDCs for the identification and elaboration of projects which can be financed through the Second Account, as well as necessary institutional arrangements in this regard. With regard to commodity arrangements, measures which would help the LDCs, e.g. exemption from quota restrictions and obligations to share financial costs, could be considered.

(3) The LDCs should also be assisted to promote economically appropriate diversification of their economic structures, both vertically and horizontally. In this connection the Ministers reiterated the continued relevance of support measures contained in paragraph 79 of the SNPA.

Compensatory financing

75. With particular reference to the negative impact of the commodity-related shortfalls in export earnings of LDCs, the Ministers underscored the following:

(1) The various compensatory schemes of IMF including its new Compensatory Contingency Financing Faculty (CCFF) scheme, should consider practical measures to facilitate the access of LDCs under terms and conditions that are not excessively burdensome.

(2) Possibilities should also be explored to mobilize additional resources to provide more automatic compensation to LDCs export-earnings shortfalls.

(3) New sets of compensatory measures should be devised which would lead to further strengthening of existing compensatory schemes such as STABEX-LDC-ALA. In particular these could take the form of increasing the availability of financial resources at their disposal and commodity coverage. The non-EEC countries may consider setting up exclusively for the LDCs a scheme similar to STABEX to be administered by a major financial institution.

Access to markets

76. The Ministers emphasized that the developed countries should take urgent steps to ensure significantly improved market access for products originating from LDCs. In this regard, they strongly stressed that a wide scope exists for further improvement of the GSP schemes, whose impact on LDCs exports has so far been minimal. They also noted that important supportive measures in favour of LDCs could be taken, inter alia, in such areas as duty-free treatment for their exports, exemption from quotas and ceilings and use of simplified and flexible rules of origin.

77. They further noted that in the context of the Uruguay Round of Multilateral Trade Negotiations the LDCs presented a comprehensive set of proposals which may be endorsed. These proposals include, inter alia, the following on a non-reciprocal basis:

(i) Duty-free treatment for all LDCs' exports (industrial, artisanal, tropical, agricultural and natural resource-based products);

(ii) Exemption from the safeguard clause, from product withdrawals and graduation as well as from quotas and ceilings;

(iii) Long-term guaranteed maintenance of GSP commitments;

(iv) Application of flexible rules of origin and facilities for LDCs' participation in trade fairs, establishment of import promotion offices by donor countries and increasing technical assistance;

(v) Increasing attention needs also to be given to restrictive business practices with a view to accommodating the interests of the LDCs;

(vi) Exemption of LDCs from any agreements/arrangements resulting from the negotiations in TRIPS and TRIM so that they do not prevent the LDCs from adopting measures and policies in those areas which would assist their economic development and provide for improved access to, and ensure effective transfer of technology; and,

(vii) Withdrawal of existing restraints on exports of textiles and clothing against the LDCs, and exemption of LDCs from any new restraints.

78. The Ministers also underscored the important role which the developed partners could play in establishing export-oriented industries in LDCs in developing integrated projects for the expansion of their exports, and in providing adequate resources and technical assistance to overcome supply bottle-necks, as well as in enabling LDCs to enter into long-term arrangements for exports, as called for in the SNPA.

79. The Ministers also stressed the importance of taking adequate preferential measures to safeguard the interests of LDCs during implementation of various regional integration schemes and projects by their development partners.

Transfer of technology

80. The Ministers hoped that the 1990 Conference will reaffirm the measures relating to this subject contained in paragraphs 103 and 104 of the SNPA.

III.

Land-locked and island least developed countries

81. The Ministers strongly reaffirmed their continued support to the contents of paragraph 55 of the SNPA, Section B-VIII of the Mid-Term Global Review of the SNPA and paragraph 142 of the Final Act of UNCTAD as well as other relevant resolutions of the United Nations and called upon the international community to improve and expand its support to the land-locked and island developing countries as agreed upon in those documents and resolutions.

82. The Ministers noted that 15 of the 42 LDCs are also land-locked countries and, therefore, face additional problems which constitute major constraints on development. The improvement of the physical infrastructure, in particular transport and communications, is vital for the movement of goods and services within the country as well as the expansion and development of the foreign trade sector. In order to alleviate this geographical handicap, the land-locked countries and their transit neighbours, in co-operation with each other, should make concerted efforts to simplify transit procedures and to improve international trade links in the 1990s taking into account the needs and means of the land-locked LDCs. Similarly, island LDCs should initiate programmes for the development of their internal and external transport links in order to improve their access to the world markets.

IV.

Strengthening co-operation between LDCs and other developing countries (ECDC)

83. The Ministers considered the crucial role which the strengthened co-operation between LDCs and other developing countries can play in the development efforts of the LDCs during the 1990s. They stressed that co-operation between the LDCs and other developing countries (particularly, as appropriate at regional and subregional levels) should be strengthened during the decade. The Ministers noted that arrangements in this connection should aim at providing greater and preferential access of LDC products to regional

markets, importing LDCs products on a long-term secure basis, providing financial and technical co-operation for the benefit of LDCs, enhancing exchange of information and know-how, increasing collaborative ventures, and as regards land-locked LDCs, facilitating the flow of goods in transit.

84. The Ministers also reaffirmed the importance of multi-country schemes among developing countries, as contained in the SNPA, including, inter alia, the following:

(a) Within regional co-operation programmes among developing countries there should be arrangements for joint exploitation of common river basins or other resources potential, with special support for participating least developed countries.

(b) Where there are realistic opportunities for multi-country investments involving least developed countries and other countries in the same subregion, they should be strongly supported by donors. Such programmes may in fact present a unique opportunity for effectively transforming the economies of the least developed countries concerned, many of which are too small and have too limited a resource base to support any significant economic structural changes by investment only at the national level.

V.

Follow-up and monitoring mechanism

85. The Ministers underscored the vital importance of establishment of an effective mechanism to follow up and monitor the implementation of the Plan of Action for the LDCs for the 1990s. They recognized that the core of such mechanism should continue to be the meetings for pledging international contributions to LDCs to the implementation of national development goals and priorities. In this connection, they particularly highlighted the continuing relevance of the UNDP round tables and World Bank consultative groups. They also noted that improvement in these modalities should be a continuous process. The Ministers underscored the importance of holding such meetings regularly, giving the LDCs the opportunity to, inter alia, (i) elaborate their priorities and positions during these meetings adequately; (ii) examine all policy alternatives objectively, and (iii) install adequate follow-up arrangements for sectoral and other ad hoc consultations and co-ordination among donors. The Ministers also underscored the need to support LDCs to strengthen national capacity to formulate and implement their development plans and programmes.

86. The Ministers also stressed that there should be a clear and forward-looking agreement on the arrangements for monitoring and follow-up at the global level, which should constitute an essential and integral element of the overall process, and be regarded as complementary and supportive to the arrangements at the country level. The Ministers emphasized that, as in the past, all the sessions of the United Nations Conference on Trade and Development should continuously keep under review the status of implementation of the plan of action for the LDCs for the 1990s. As part of the global monitoring and review process, a comprehensive mid-term appraisal of

the implementation of the plan should be undertaken in 1995 and an end-of-the-decade review for comprehensive appraisal should also be undertaken at the end of the decade. The UNCTAD Intergovernmental Group on LDCs could be convened regularly and more frequently and its report could be made available to the United Nations General Assembly as in the past.

87. The Ministers also strongly emphasized the need for undertaking reviews by LDCs themselves of the implementation of the plan of action for the 1990s. In this regard, they agreed that representatives of LDCs at various levels should meet at suitable intervals to undertake such reviews. They agreed to meet briefly in Paris prior to the Second United Nations Conference on the LDCs. They urged the international community to provide necessary support to the LDCs in their efforts in the area of follow-up and monitoring.

88. The Ministers noted with appreciation the very important role played by UNCTAD in the implementation of the SNPA, and the support its secretariat provided to the global review mechanism and preparation of the Second United Nations Conference on the Least Developed Countries. They strongly endorsed that UNCTAD should continue to serve as the focal point for the review and appraisal of the implementation of the programme for the 1990s and its secretariat for the provision of support to the global review mechanism during the decade, in co-operation with concerned organizations of the United Nations system and other relevant institutions such as the World Bank and the IMF. The Ministers strongly recommended a significant increase in the capacities of the UNCTAD secretariat to collect and analyse basic information on the problems of the least developed countries, to prepare substantive documentation thereon drawing on the expertise in all of its programmes, and, in co-operation with the Office of the Director-General for Development and International Economic Co-operation, to mobilize and co-ordinate activities related to the LDCs by the United Nations system. The Ministers considered it necessary to these ends that the unit of the UNCTAD secretariat which is specifically devoted to work on the LDCs and to related outreach activities be upgraded and further strengthened and invited the Secretary-General of the United Nations to provide substantially increased resources including financial and personnel for this purpose.

89. The Ministers expressed their gratitude to the Government and people of Bangladesh for their hospitality and generous offer to host the Ministerial Meeting. They complimented the Governments, including in particular the Government of Japan, the Secretary-General of the United Nations, the Director-General for Development and International Economic Co-operation, the Secretary-General of UNCTAD, the United Nations Regional Economic Commissions, the Administrator of UNDP and all other organizations which extended their support and co-operation to the LDCs in their preparation for the forthcoming Conference and its preparatory meetings, and in particular in holding the Ministerial Meeting. The Ministers requested the Government of Bangladesh, on behalf of the LDCs, to convey to these Governments and organizations their profound and sincere thanks.

12 February 1990

III. DECISIONS I, II AND III

Decision I of the Ministerial Meeting of the Least Developed Countries, held at Dhaka, Bangladesh, from 10-12 February 1990

Recognizing that the full co-operation of donor countries would be needed for the successful outcome of the Second United Nations Conference on the LDCs to be held in Paris in September 1990,

The Ministerial Meeting of the LDCs in Dhaka, Bangladesh, decided that, in order to sensitize the donor community at the highest political level about the needs and problems of the Least Developed Countries, a Mission consisting of four Ministers of LDCs should visit donor capitals immediately after the forthcoming Meeting of the Preparatory Committee in Geneva for the Conference.

12 February 1990

Decision II of the Ministerial Meeting of the Least Developed Countries, held at Dhaka, Bangladesh, from 10-12 February 1990

The Ministers of the Least Developed Countries,

Mindful of the formidable developmental problems of Least Developed Countries,

Recognizing the need to undertake research on and analysis of such problems,

1. Emphasize the urgent need to establish a Centre for Research on the Least Developed Countries in Dhaka to: (i) undertake and promote research and analysis of developmental issues concerning Least Developed Countries; (ii) assist Least Developed Countries in their own monitoring and follow-up of future programme of action for Least Developed Countries; (iii) promote co-operation among Least Developed Countries in the field of research and analysis,

2. Urge the international community, in particular donor countries and organizations to provide adequate financial, technical and other forms of assistance to the Centre, when established on a continued basis,

3. Request all United Nations organizations, in particular UNCTAD, as well as other international and multilateral organizations, to provide full co-operation and support to the Centre in conducting its work.

12 February 1990

Decision III of the Ministerial Meeting of the Least Developed Countries, held at Dhaka, Bangladesh, from 10-12 February 1990

Recognizing the importance of structural arrangements for consultations and exchange of views among the Least Developed Countries on a regular basis on issues of concern to these countries and to monitor and follow-up the Plan of Action for the Least Developed Countries for the 1990s to be adopted at the Second United Nations Conference on the Least Developed Countries in September 1990, the Ministerial Meeting of Least Developed Countries in Dhaka, Bangladesh, decided that for this purpose, the representatives of the Least Developed Countries at the United Nations in New York would hold consultations at Ministerial level during the regular sessions of the General Assembly of the United Nations, which should be serviced by UNCTAD.

The Ministerial Meeting also decided that the representatives of the Least Developed Countries in other major United Nations centres should also work out arrangements to hold such consultations on issues of concern to LDCs on a regular basis.

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TRADE AND DEVELOPMENT BOARD

Intergovernmental Group on the
Least Developed Countries
Seventh session

Preparatory Committee for the
Second United Nations Conference
on the Least Developed Countries
(Geneva, 26 March 1990)

DECLARATION BY THE MINISTERS OF THE LEAST DEVELOPED COUNTRIES

Addendum

Note by the UNCTAD secretariat

At the request of the Foreign Minister, Government of Bangladesh, and Chairman, Ministerial Meeting of the Least Developed Countries, the attached documents of the Ministerial Meeting of the Least Developed Countries (Dhaka, Bangladesh, 10-12 February 1990) are being circulated as a document of the Intergovernmental Group on the Least Developed Countries acting as the Preparatory Committee for the Second United Nations Conference on the Least Developed Countries.

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I. ORGANIZATION OF WORK

1. The Ministers of the Least Developed Countries met in Dhaka, Bangladesh, from 10 to 12 February 1990.

2. Among others, the Ministers deliberated on issues and matters pertaining to the Second United Nations Conference on the Least Developed Countries.

3. The Ministerial Meeting had before it a "Draft declaration by the Ministers of the least developed countries at their meeting in Dhaka, Bangladesh".

4. The Meeting also had before it background documents submitted by the United Nations Conference on Trade and Development (UNCTAD), the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic Commission for Africa (ECA). (For the list of documents, see section V.)

5. The Meeting held its inaugural session in the morning of 10 February 1990.

6. Welcoming remarks were made by H.E. Mr. Anisul Islam Mahmud, Foreign Minister of Bangladesh, who later made a statement (see section II.B).

7. The Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) and Secretary-General of the Second United Nations Conference on Least Developed Countries, Mr. K.K.S. Dadzie, read a message to the Meeting from the Secretary-General of the United Nations (see section II.D). He also made a statement (see section II.C).

8. The Meeting was formally inaugurated by the President of the People's Republic of Bangladesh, His Excellency Mr. Hussain Muhammad Ershad.

9. The President of the People's Republic of Bangladesh addressed the Meeting. The text of his address is reproduced in section II.A.

10. The Minister of Planning of the Gambia, His Excellency Mr. Mbembe Jatta, His Excellency Mr. Donald Kalpokas, Minister of Foreign Affairs of Vanuatu, and the Minister of Haiti, His Excellency Michel Bonnet, on behalf of the African, Asian and Latin American least developed countries respectively expressed their sincere thanks and appreciation to the President of the People's Republic of Bangladesh for his inspiring address. They also expressed their deep appreciation to the Government of the People's Republic of Bangladesh for the warm hospitality accorded them and for the excellent facilities provided.

11. The Ministerial Meeting elected by acclamation as its President His Excellency Anisul Islam Mahmud, Foreign Minister of the People's Republic of Bangladesh.

12. The Ministerial Meeting also elected by acclamation the following office bearers:

His Excellency Dr. Farouq El-Bushra Minister of Commerce, Co-operation and Supply, Sudan	Vice-President
His Excellency, Mr. Michel Bonnet Minister of Planning and Internal Co-operation, Haiti	Vice-President

13. The Meeting adopted the agenda contained in section III.

14. The Meeting established a Committee of the Whole to consider agenda item 5 on the consideration and adoption of a Declaration. His Excellency Dr. Farouq El-Bushra, Foreign Minister of Sudan, Vice-Chairman of the Meeting was elected as the Chairman of the Committee of the Whole.

15. Delegations of 31 least developed countries participated in the Ministerial Meeting.

16. The Chairman of the Committee of the Whole presented the report of the Committee, including the amended draft declaration and its annex.

17. The Ministers approved and adopted the report of the Chairman of the Committee of the Whole.

18. The Meeting adopted a declaration entitled "Declaration by the Ministers of the Least Developed Countries at their Meeting in Dhaka, Bangladesh" which has an annex entitled "Dhaka Document" presented by the Chairman of the Committee of the Whole.

19. The Meeting also adopted three Decisions, the text of which is annexed to the Declaration.

20. His Excellency Lyonpo Dawa Tsering, Foreign Minister of the Kingdom of Bhutan, moved a vote of thanks to the Government and the people of Bangladesh and expressed deep and sincere appreciation for the hospitality and generosity extended to delegations and for the excellent facilities provided.

21. The Chairman of the Ministerial Meeting made a closing statement.

22. The following least developed countries attended the Ministerial Meeting: Afghanistan, Bangladesh, Bhutan, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Democratic Yemen, Djibouti, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Maldives, Mali, Mauritania, Myanmar, Nepal, Niger, Rwanda, Sierra Leone, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania, Vanuatu and Yemen Arab Republic. The list of participants is in section IV.

23. The following United Nations organizations were represented: United Nations Conference on Trade and Development (UNCTAD), Office of the Director General for Development and International Economic Co-operation

(DIEC), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF), United Nations Centre for Transnational Corporations (UNCTC).

24. His Excellency Mr. Henri Servant, Ambassador and Co-ordinator of the Government of France for the Second United Nations Conference on the Least Developed Countries attended the meeting as a special invitee.

II. STATEMENTS AND MESSAGE

A. Statement by H.E. Mr. Hussain Muhammad Ershad, President of the People's Republic of Bangladesh

1. It is with a profound sense of pleasure that I extend to you a very warm welcome. You come to Bangladesh at a time when in this country a soft season breathlessly awaits the advent of spring. For the citizens of Dhaka, your presence adds excitement to the wait. Many of you had to travel much to be here. Many, too, had pressing engagements at home. Nevertheless you decided to come. This underscores the importance of this gathering. And your commitment to our common cause.

2. This cause flows from our desire to improve the lot of our people. In a world of plenty, they remain poor. In a world of movement, their lives are static. In a world full of hope, they are fated to despair. We must pool our intellectual resources together and examine why. We must ameliorate their conditions, and deliberate on how. This is not a simple task. But no task ever meant more to our nations.

3. A feature common to us is that we are all least developed. It is self-evident, therefore, that many of our problems are similar. The issues that we confront are alike. We often have the same experience: like the suffering when the price of our single crop falls; the hunger, when a harvest fails; the desperation, when our exports face a tariff wall; or the pain, when nature inflicts a calamity on us.

4. These result from our constraints, which are many. These are often great liabilities. We are not helped by a colonial past during which we were ruthlessly exploited. But adversities often provide positive responses. Civilizations progress only when challenges to them are surmounted. It is true that the kite rises only against the wind. We must devise a mechanism by which we must overcome the negative factors we face. We must try and transform our liabilities into assets.

5. In this, the leaders in our communities have an enormous responsibility. The elites in our societies form the critical mass that can spur us on to progress. They are the locomotive that can help us move towards the desired goal. In the past they helped us achieve our independence from our colonial rulers. Sometimes I feel a sense of inertia has since benumbed them to inaction. They must be activated. They are the non-technological resources that form the key to our future.

6. I say this to you because I believe you, all of you, are a part of this critical mass, this essential core. Your burden, therefore is a heavy one. Our peoples look up to you for guidance. When you collect in meetings such as this, your action must be tempered by a sense of your historic task. I am confident, indeed positive, that such would be the case in this Dhaka meeting.

7. The world is in a flux. While there remain some areas such as Palestine and the occupied Arab territories where sufferings continue under the jackboot of oppression, most of the globe is engulfed in a whirlwind of change. Most of this is positive. On 21 March the valiant Namibians will wake up to a new

dawn, and independence. We rejoice at the news that Madiba Nelson Mandela will soon be free. We are heartened at the world-wide euphoria arising from nations striving to determine their own destiny. It is simply not fair that, when there is so much of joy all around, life should be without cheer for half a billion people of the least developed countries.

8. The sad story of our times is that the circle of disenchantment for them is ever-widening. The past 10 years, what was to have been a decade of development, became for them a decade of despair. Their condition deteriorated sharply. The causes were many and varied. These included inadequate resource flows, decline in private investment, depressed commodity prices, difficulties in obtaining access to markets, and failure of adjustment programmes to produce results.

9. These factors combined with the essential negative characteristics of the LDCs. These are fundamental, pervasive and structural in nature. To name but a few: extremely low level of income, very limited savings capacity, insufficient and under-utilized resource base, poor technologies, small domestic market, lack of socio-economic infrastructures, and structural rigidities. Add to these the severe geographical and economic disadvantages of the land-locked and island LDCs.

10. On the matrix of this scenario, I was heartened by the decision of the United Nations to convene a Second Conference on the Least Developed Countries this year in Paris. I should be remiss if I did not at this stage express our gratitude to France, to the French, and to President Mitterrand. It is my hope that the Conference would carry out its mandate. I understand this would be to assess progress at the country levels, to review international support measures, and to adopt appropriate policies and measures for the 1990s. A New Plan of Action is what it should aim at.

11. In strategy and tactics, preparation is often half the battle. We must adequately gear ourselves to prepare for the event. The Dhaka meeting is a part of that process. We have organized this at a high level because we sincerely believe that our economic arguments will need to be buttressed by a modicum of political clout. Here the LDC Ministers should address themselves to the vital issues that would constitute the agenda of the forthcoming Conference.

12. We in the LDCs are well aware that our own efforts would be an important determinant of the success of our economic programmes. This is where our leadership will need to play a critical role. For a host of reasons, in an age of warming economic progress, we have been left out in the cold. Many who wield the wand, and cast the spell known as the "magic of the market place", deem us to be non-profitable to invest in. Till we are able to fully redress this situation, we will continue to require substantial increases in official development assistance. We will need to promote a consensus on a more fundamental approach to LDC debt which should include a decisive reduction of the overall debt stock. There must be stabilization of commodity prices and arrangements for compensation for shortfall in export earnings. There is also the need for urgent action to reverse protectionism, exempt the LDCs from quotas and ceilings, and to further simplify and make more flexible the rules of origin.

13. We must ourselves emphasize our social sectors. We must try and eliminate drugs from our communities. We must ensure for our peoples minimal health facilities. We must be able to expand the number of literates to make our population economically more productive. We must involve women in our societies more deeply in the development process.

14. It is a paradox of our age that many parts that are naturally rich are actually poor, and that many parts of the world that are poor in nature enjoy the highest standards of living. Many of you are from Africa. Your continent is blessed with vast resources. Before the colonial times you were prosperous. The Portuguese when they arrived at the Gambia marvelled at the Mandinga Merchants. Products abounded. There was plenty of salt in the Atlantic Coast and Sahara, kola nuts in Liberia, gold in the Akan country, leather in Hausaland, cotton cloth in Western Sudan, iron in Guinea. Centuries of foreign exploitation have exhausted many of these resources. But once again your continent is in ferment. We are your friends and with you in your struggle to return to the global mainstream. I believe in what the Roman General Pliny had said two thousand years ago: "Out of Africa will always emerge something new". The African Century is round the corner.

15. There are some points that I suggest you may wish to give a thought to. I feel the LDCs require some sort of structural arrangement for periodic meetings and exchange of views. I understand almost all our countries are represented at the United Nations. Perhaps our Missions there could constitute such a forum. This would also facilitate consultations at a high level during the General Assembly. The process of monitoring and follow-up of a future Plan of Action would be thus rendered easier.

16. Also, some of our problems require more detailed analyses by ourselves. We have happily no dearth of intellect, only finances. You might wish to consider the establishment of a Centre for Research on LDCs. Of course, funding for this will need to be organized, but I have no doubt it would be resources well spent.

17. I must soon leave you to your task. I pray most fervently for your success. Recently in New York, at an address to the Group of 77, I had asked a question: how much longer must the barge of the LDCs await in the outer anchorage as the ship of the rest of the world sails into the harbour of progress? Our aspiration is that it must not be much longer.

18. Let the Dhaka meeting be a turning point in the evolving history of the LDCs. Let us work in unison for conveying a new message of hope and positive determination not only to our own peoples but also to the economically prosperous and technologically developed nations.

19. I sincerely hope that this august assembly will be successful in giving shape and form to the vital message: that more than 400 million people in the LDCs are now unflinching in their resolve to transform their destiny.

20. We, of the LDCs, are virtual frontiersmen. We are struggling to conquer the veritable last frontier of mankind, the formidable barrier of poverty, hunger and malnourishment, illiteracy and superstition.

21. Historic events are unfolding today in other parts of the world. We in the LDCs must be able to display unity if we are to continue to attract attention and, more important, to compete successfully for the scarce resources. This, the first Ministerial-level Meeting of LDCs should be able to signal such cohesion. We have a long and arduous distance to travel to our goal.

22. We are fighting the ancient enemies of humanity. We deserve and welcome assistance from the more prosperous nations, for it is as much their war as ours. Let them know that if meaningful and effective help comes forth, we shall enter the twenty-first century not as recipients of handouts, but as confident and self-reliant partners in progress.

B. STATEMENT OF H.E. MR. ANISUL ISLAM MAHMUD, FOREIGN MINISTER OF THE PEOPLE'S REPUBIC OF BANGLADESH

Allow me, at the outset, to extend to all of you a very cordial welcome to Bangladesh. We are happy that you are here today to attend the first ever Meeting of the Ministers of all the least developed countries. By your gracious presence from different corners of the world, you have done a unique honour to Bangladesh. We will surely do our best to live up to this trust and expectation.

We are indeed grateful to His Excellency, President Hussain Muhammad Ershad not only for inaugurating this Ministerial Meeting but also for his continuing commitment and support to the cause of LDCs expressed at various global forums. But for his constant encouragement, holding of this Meeting at such short notice would not have been possible. On behalf of the National Steering Committee for the Second United Nations Conference on the LDCs, I convey to you, Mr. President, our sincerest thanks for your wise guidance and far-sighted leadership.

This Ministerial Meeting at Dhaka has a special responsibility to perform. As we approach the meeting of the Preparatory Committee for the Second United Nations Conference on the Least Developed Countries to be held next month, we as a group have yet to articulate our position in one common forum. Hence the urgent need for this meeting. It is imperative that the LDCs themselves should get an opportunity to work out a combined position for the Paris Conference.

Being the poorest and economically most disadvantaged of all, the LDCs are going through a treadmill situation. Though these countries have embarked on a variety of internal economic reforms and stringent measures aimed at reviving growth, most of them experienced negative growth or stagnation during the 1980s largely due to reasons beyond their control - an unfavourable external environment.

The United Nations Conference held in 1981, concentrating solely on the development of the weakest segment of the international community, kindled strong hopes. It was a timely reaffirmation of global solidarity. However, in reality, the decade of the 1980s presented LDCs with a series of disappointments, frustrations and setbacks.

The quality of life in the least developed countries has deteriorated further during the decade. Average per capita income has declined steadily. The stranglehold of poverty has made human survival uncertain. Most social development indicators have shown little or no improvement in these countries.

The increasing impoverishment of LDCs and deterioration of the living conditions for most of the population is neither accidental nor transitory, but the result of historical and structural circumstances, both internal and international. Its reversal is, therefore, an immediate common task for the global community. Committed international co-operation is essential if progress is to be made towards achieving the goal of eradicating poverty in the LDCs on an urgent, lasting and comprehensive basis.

It is unfortunate that none of the major targets of the SNPA have been achieved satisfactorily. As a result, the economic and social conditions of these countries as a whole continue to remain critical. We know that the causes of this failure are many, but the deterioration in the international economic environment is, perhaps, the most serious among them.

It is important to underscore that, although success of their development programmes during the 1990s will critically depend to a large extent on their own efforts, the LDCs will continue to depend massively on a supportive external economic environment and adequate support of the international community for the success of their own efforts. The overall trend of present resource flows - both in quantity and in quality - to the LDCs will have to be reversed if those countries are to be put on the path of sustained development. There is also an imperative necessity to promote a consensus on a more fundamental approach to the problem of debt of the LDCs.

Market access is another important field where our development partners can help us the most. In recent years, LDCs had to face the consequences of a renewed upsurge of protectionism.

Environmental issues have emerged as an area of serious concern and will be of increasing importance for the LDCs in the coming years. Managing our natural resource and ecology is, therefore, a crucial prerequisite for preserving the existing quality of life, not to mention raising it to desired levels.

In 1981 by adopting the Substantial New Programme of Action (SNPA), the international community recognized that the LDCs have qualitative differences in the economic characteristics and problems. In 1990, this recognition is becoming particularly crucial in designing stabilization and adjustment programmes now being followed by major international financial institutions, and supported by important donor countries.

Your deliberations will, I am sure, take these issues into account as you embark on the drafting of a Declaration outlining an action programme for the LDCs for the 1990s. We must prove to the others that we mean business. We must be able to put across forcefully our message to the international community. From Dhaka, we do commence our united common struggle to secure a better life for all of us.

Before I conclude I would like to thank UNCTAD Secretary-General Kenneth Dadzie and his colleagues wholeheartedly for the full involvement of UNCTAD in the preparations and holding of the Dhaka Meeting. Our thanks also go to the United Nations Development Programme for all its support to our Meeting. The Government of Japan deserves our sincerest thanks for their generous and crucial support at a critical time.

In conclusion, I would say that if in 1981 the international community undertook a rescue effort to save the LDCs from collapse, in 1990 we would need a supportive push to set us on the path to self-sustaining growth and all-round development.

C. STATEMENT BY MR. K.K.S. DADZIE, SECRETARY-GENERAL OF UNCTAD

It is an honour for me to address this Ministerial Meeting in my capacity as the Secretary-General of the United Nations Conference on the Least Developed Countries. On behalf of the Secretary-General of the United Nations, whose message I have just had the privilege of reading to the Meeting (cf. section D), the Director-General for Development and International Economic Co-operation, Mr. Antoine Blanca, and my colleagues in the UNCTAD secretariat, I would like to express thanks and appreciation to the Government of Bangladesh for the excellent arrangements that it has made for this Meeting and its warm hospitality.

The timely initiative of the Government of Bangladesh in convening this Meeting is greatly appreciated by all who are committed to a successful outcome of the Second United Nations Conference on the Least Developed Countries. We look to this Meeting not only to mobilize the Governments of the least developed countries in their approach to the Conference, but also to make a constructive input to the collective intergovernmental preparations, notably to the work of the UNCTAD Intergovernmental Group on the Least Developed Countries acting as Preparatory Committee for the Conference, which will meet in Geneva from 26 March to 6 April 1990.

The preparations for the Paris Conference coincide with a positive phase in international relations, characterized by a relaxation of traditional political tensions between East and West. This should, in principle, give positive impetus to international economic relations and to multilateral co-operation for development. At the present time the focus of international political attention is on Europe: on the policy reforms in the east of the continent, the growing integration of the west, and the building of bridges between the two. These too are fundamentally positive political trends. However, they carry the risk of a certain economic introversion which, unless it is countered by far-sighted political vision, could work to the detriment of international support for the development efforts of developing countries. This risk is present not only because of limitations on the availability of official funds, but also because investment opportunities in Europe are diverting corporate attention from such opportunities in the third world. Let us hope that political wisdom will prevail and that these developments will, in fact, permit renewed attention to the causes of the North-South divide and renewed commitment to measures to overcome it.

This is the context in which the specific structural handicaps of the least developed countries, the weakest partners in the international community, will be addressed by the Conference next September. It has been the purpose of the preparatory process, which the UNCAD secretariat has had the privilege to organize on behalf of the Secretary-General of the United Nations, to highlight the specificity of these handicaps within the overall problèmatique of development shared by all developing countries. The preparations for the Conference have also addressed the twin challenges set by the General Assembly in determining the mandate of the Conference, namely to learn from the past and to innovate for the future.

Looking to the past, one has to agree that the 1980s produced a generally dismal record for the least developed countries, despite the commitments undertaken in the Substantial New Programme of Action adopted by the first Paris Conference in 1981. The UNCTAD secretariat believes this record can be explained by a combination of domestic policy shortcomings, an inclement international economic environment, insufficient international support, and inadequate structural adjustment programmes. Of course, the mix of factors varies from country to country. However, all these inadequacies will need to be corrected if the 1990s are to end on a brighter note. The fact that the causes of under-achievement, apart from those relating to natural disasters, are the result of man-made policies itself imples that a brighter future is within the realm of possibility. For policies are by definition reversible, if the necessary political will is exercised by all parties concerned.

It is this political will which the Paris Conference must mobilize and to which this Ministerial Meeting must contribute. Indeed, it is only through strengthened commitments, both by the least developed countries and by their development partners, that progress in the 1990s could be achieved. The Paris Conference can thus be seen as a forge for a more vigorous partnership aimed at accelerating the development of the least developed countries. It is important for the success of the Conference that in principle these sets of commitments should not be seen as mutually conditional but rather as complementary. Conditionality will, in fact, be a key issue in specific policy areas to be discussed at the Conference and it is important that it should be addressed in the correct perspective.

On the side of the LDCs, each country has the responsibility of mobilizing its national resources fully and effectively in accordance with its specific endowments, needs and objectives. Each country will need to adopt sound macro-economic policies geared towards the acceleration of economic growth and long-term development, as well as sectoral policies and policies aimed at alleviating poverty and problems of vulnerable groups. The conditions attached to the international support for such policies must be appropriately targeted, if they are not to give rise to economic, social and indeed political problems. Thus, while support for structural adjustment policies should be related to appropriate performance criteria, support to sectoral policies should be based on the long-term priorities of each country and on the quality of programmes put forward for such support. Moreover, international support should make allowances and provide compensation for the effects of external shocks over which the least developed countries have no influence.

If there were to be an understanding on these lines in Paris, one of the conditions for success will have been secured. The UNCTAD secretariat has put forward a number of proposals and guidelines, in its main policy document for the Intergovernmental Group, aimed at promoting such an understanding.

A second key issue at the Conference will be the nature and extent of commitments by donors to provide external financial resources to LDCs in adequate volumes and on adequate terms. The need to increase official development assistance to LDCs will be the predominant topic under this heading, as it was at the 1981 Conference. This increased need results in part from the failure of donors to achieve the 0.15 per cent GNP target set by that Conference. The actual figure achieved in the 1980s has averaged 0.09 per cent. It is essential that the commitments made at the second Conference be more effective. Moreover, the UNCTAD secretariat has calculated that, for the LDCs as a whole to attain an annual growth rate of some 5 per cent in the latter part of the 1990s - that is, a rate significantly above projected population growth - donors should endeavour to double ODA flows to LDCs in the next five years and aim at providing 0.2 per cent of their GNP as ODA to LDCs by the end of the 1990s.

Another topic under this heading, which did not figure at the 1981 Conference, is that of relief for external debt, which for LDCs is a phenomenon of the 1980s. The constraint imposed by the debt overhang on the development efforts of these countries, which are least equipped to deal with it, must be broken through concerted efforts by all of their creditors.

The third and final element of what may be seen as the essential Conference package is agreement on effective follow-up and monitoring mechanisms at national, regional and global levels. This, too, was an issue in 1981 and useful lessons, both positive and negative can be drawn from the experience of the 1980s. It is important that national level follow-up mechanisms should be better focused on the key elements of the programme of action to be adopted by the Conference next September. Here, too, the UNCTAD secretariat has put forward a number of proposals which we believe would help to achieve the desired result.

In concentrating on these three points, I do not intend to imply that other issues before the Conference are less significant. On the contrary many important questions will have to be discussed concerning the mobilization of human capacities in the least developed countries, including the strengthening of indigenous private enterprise, the modernization and integration of their productive base, the particular problems of land-locked and island least developed countries, and supportive measures in the field of trade. All these will need to be woven together in a coherent whole.

I am convinced that this aim is within reach and that the Second United Nations Conference on the Least Developed Countries will be qualitatively different from the first in the effectiveness of its outcome. Much will depend on the action taken between now and September. I urge Ministers present here to make the preparation for this Conference an item of priority on the agendas of their respective national Governments and to come to the Conference ready to engage in serious dialogue and meaningful commitments. I also urge Ministers to use the intervening months to call upon

the support of their counterparts in other developing countries, in the spirit of solidarity which has always characterized the Group of 77. Finally, I urge Ministers to mobilize the attention of the political leadership of the industrialized countries through concerted political action which could lead to supportive decisions at the forthcoming meeting of Heads of Government of the seven major industrialized countries, and to the required action by the international community as a whole at the Conference itself.

I wish this Meeting every success. I regret that previous commitments oblige me to leave you before its conclusion. However, my Deputy, together with other colleagues from the UNCTAD secretariat and from the Office of the Director-General for Development and International Economic Co-operation will be fully at your disposal and stand ready to extend all such assistance as you may require.

D. MESSAGE OF THE SECRETARY-GENERAL OF THE UNITED NATIONS TO THE MINISTERIAL MEETING

It is with great pleasure that I convey to all of you my best wishes. This historic Meeting is a manifestation of your commitment to enhance the cause of international co-operation and of your determination to accelerate the development process in your countries. As we prepare for the Second United Nations Conference on the Least Developed Countries, it is of critical importance that the least developed countries themselves play a leading role in defining their needs and the actions required. The Government of Bangladesh is to be congratulated for the initiatives it has taken in this regard.

The gravity of the problems faced by the least developed countries and the urgency for corrective action have become increasingly apparent. Without going into details, it is simply not acceptable that 42 countries with a combined population of over 400 million people continue to be trapped in a vicious circle of poverty and weakness.

On the eve of the twenty-first century, we are witnessing a lessening of political tensions which allows us to envisage a more humane world. There is increasing recognition of the interdependence of all nations and the benefit of collective action in dealing with pressing economic, social and environmental problems. Technological changes are reshaping the face of the world and opening new opportunities for the welfare of mankind. We must seize these opportunities to fashion and implement a programme to benefit the poorest among us. It is in response to this challenge that the Second United Nations Conference on the Least Developed Countries will be convened in Paris in September 1990 to seek agreement on mutually supportive actions by the countries themselves and the international community. In this context, I would like to underline the need to strengthen international support to the least developed countries through, in particular, increased financial flows, debt relief, and improved market access. Given the urgency of the situation, the Conference must be an occasion for commitment to meaningful action.

Your Meeting is a critical part of the preparations for the Conference. As I indicated earlier, it is essential for the success of the Conference that it benefit from your advice in formulating a programme for the 1990s based on your own development priorities. You are called on to identify the additional efforts which each of your Governments will have to make and, equally important, the kind of support you will need from the international community.

May I wish you all success in your deliberations.

III. AGENDA OF THE MINISTERIAL MEETING

1. Adoption of the agenda

2. Election of the Bureau

3. Assessment of the progress at the country level during the 1980s in the light of the Substantial New Programme of Action (SNPA) for the 1980s for the Least Developed Countries

4. Review of progress in the international support measures pursuant to the SNPA

5. Consideration and adoption of Declaration by the Ministers containing, inter alia, an action plan including national policies and international support measures for accelerating the development process of the LDCs during the 1990s in accordance with their long-term national social and economic objectives

6. Other measures

IV. LIST OF PARTICIPANTS

Afghanistan

1. H.E. Mr. Sultan Hussain, Minister of Planning
2. Mr. Abdul Ghafoor Jawshan, Chargé d'Affaires, of the Embassy of the Republic of Afghanistan in Bangladesh
3. Mr. Hafizullah Ayubi, Director, International Economic and Financial Relations Department, Ministry of Foreign Affairs

Bangladesh

1. H.E. Mr. Anisul Islam Mahmud, Head of Delegation, Foreign Minister
2. H.E. Air Vice Marshal (Retd) A.K. Khandkar, Minister for Planning
3. H.E. Dr. Wahidul Huq, Minister for Finance
4. Mr. Khorshed Alam, Secretary, Finance Division, Ministry of Finance
5. Mr. M.A. Syed, Secretary, Ministry of Agriculture
6. Mr. Enam A. Choudhury, Secretary, External Resources Division
7. Mr. M. Mokammel Huq, Secretary, Ministry of Commerce
8. Mr. A.K.M. Mosharraf Hossain, Secretary, Ministry of Industries
9. Mr. Abul Ahsan, Foreign Secretary
10. Mr. Habibur Rahman, Additional Secretary, President Secretariat
11. Mr. Reaz Rahman, Director-General (United Nations), Ministry of Foreign Affairs
12. Mr. Abdul Quayyum, Director-General (IO), Ministry of Foreign Affairs
13. Mr. A.H.G. Mohiuddin, Alternate Permanent Representative to the United Nations
14. Mr. Anwarul Karim Chowdhury, Director-General (EA), Ministry of Foreign Affairs and Co-ordinator, Substantive Papers Sub-Committee
15. Mr. M.M. Reza, Joint Secretary, Ministry of Commerce
16. Mr. K.M. Ejazul Huq, Joint Secretary, Ministry of Home Affairs and Co-ordinator, Transport and Protocol Sub-Committee
17. Mr. M.G. Kibria, Joint Secretary, Ministry of Civil Aviation and Tourism

18. Mr. A.W. Chowdhury, Joint Secretary, Ministry of Energy and Mineral Resources

19. Mr. Shamsuzzaman Chowdhury, Joint Secretary, Finance Division and Co-ordinator, Finance Sub-Committee

20. Mr. A.M.M. Nasrullah Khan, Police Commissioner, Dhaka Metropolitan Police and Co-ordinator, Security, Protection and Traffic Sub-Committee

21. Mr. A.B.M. Abdul Matin, Director-General, External Publicity and Co-ordinator, Media and Publicity Sub-Committee

22. Syed Jamaluddin, Joint Chief, External Resources Division

23. Mr. Amir Ali Khan Majlis, Joint Chief, Ministry of Planning

24. Dr. Toufiq Ali, Director, Ministry of Foreign Affairs and Co-ordinator, Conference Documentation/Servicing, Sub-Committee

25. Dr. Iftekhar A. Choudhury, Deputy Permanent Representative, Bangladesh Permanent Mission, New York

26. Mr. Shahabuddin Bhuiyan, Director, Ministry of Foreign Affairs

27. Mr. Iftikharul Karim, Director, Ministry of Foreign Affairs

28. Mr. Mohammad al-Haroon, Director, Ministry of Foreign Affairs

29. Dr. Salauddin Ahmed, Adviser, Planning Commission

30. Mr. Shahed Akhtar, Director, Ministry of Foreign Affairs

31. Mr. Azizur Rahman, Deputy Sectetary, External Resources Division

32. Dr. Khalilur Rahman, First Secretary, Bangladesh Permanent Mission, New York

33. Mr. Liaquat Ali Choudhury, First Secretary, Bangladesh Permanent Mission, New York

34. Ms. Nasim Firdaus, First Secretary, Bangladesh Permanent Mission, Geneva

35. Mr. Mahfuzul Haque, Assistant Sectretary, Ministry of Foreign Affairs

36. Mr. Akhtar Ahmed, Assistant Secretary, External Resources Division

37. Mr. Imtiaz Ahmed, Assistant Secretary, Ministry of Foreign Affairs

Bhutan

1. H.E. Lyonpo Dawa Tsering, Minister for Foreign Affairs
2. H.E. Mr. Karma Dorjee, Ambassador of Bhutan to Bangladesh
3. Mr. Tika Sharma, First Secretary, Dhaka
4. Mr. Mandhoj Tamang, Deputy Director, Planning Commission
5. Mrs. Sonam Yangchen, Secretary to Hon'ble Foreign Minister
6. Mr. Sangay Rinchhen, Third Secretary, Dhaka

Botswana

1. H.E. Hon. D.N. Magang, Assistant Minister for Finance and Development Planning
2. Mr. G.N. Thipe, Chief Economist
3. Mr. T.T. Gower, Director, Commerce and Consumer Affairs

Burundi

1. H.E. Mr. Jacques Hakizimana, Ambassador of Burundi in Riyadh

Cape Verde

1. Mr. Jose Luis Monteiro, Director-General of International Co-operation, Ministry of Planning and Co-operation

Central African Republic

1. H.E. Mr. Thierry Bingaba, State Secretary (Minister) for Planning and International Co-operation
2. Ambassador Sissa Le Bernard, Foreign Ministry

Chad

1. Mr. Facho Balaam, Secretary of State for Planning and Co-operation
2. Mr. Enoch Djondang Tchaknone, Administrator, Ministry of Planning and Co-operation

Democratic Yemen

1. H.E. Mr. Salem Abdul Sheikh Faris, Ambassador, Director of International Organizations and Conferences Department, Ministry of Foreign Affairs
2. H.E. Mohamed Bin Mohamed Al Hubeishi, Ambassador

Djibouti

1. H.E. Mr. Moussa Bouraleh Robleh, Minister of Trade, Transport and Tourism

2. Mr. Djama Mahamoud Haid, Chief, Economic Affairs, Ministry of Trade

3. Mr. Ali Soubaneh Farah, Director of Planification

4. Mr. Abdourahman Doualeh Farah, Director of Statistics, Ministry of Trade, Transport and Tourism

5. Mr. Mohamed Osman Chireh, Ministry of Foreign Affairs and Co-operation

Ethiopia

1. Mr. Y. Woldemichael, Commissioner, (Delegation Leader), Head of the Production Sector in the ONCCP

2. Mr. Kebbede Tiku, Department Head of United Nations Organizations

3. Mr. Mekonnen Manyazewal, Division Head of Macro Economics

Gambia

1. H.E. Mr. Mbemba Jatta, Minister for Economic Planning and Industrial Development

2. Mr. Baboucar Sompo-Ceesay, Director of Planning, Ministry of Economic Planning and Industrial Development

Guinea

1. H.E. Abdourahamane Sow, Ambassador of Guinea in Bangladesh, Head of Delegation

2. Mr. Kamano Michel, National Director of Planning, Head of Delegation

3. Mrs. Moussoukoro Khaba, Section Chief, Ministry of Foreign Affairs

4. Mr. Mohamed Bangoura, Financial Attaché, Embassy of Guinea in Bangladesh

Guinea-Bissau

1. Mr. Jose Biai, Director of Cabinet, Ministry of Planning

Haiti

1. H.E. Mr. Michel Bonnet, Minister of Planning and Internal Co-operation

2. H.E. Mr. Glodys C. Saint-Phard, Ambassador and Permanent Representative of Haiti to the United Nations

Lesotho

1. H.E. Mr. Thabo B. Moeketsi, Ambassador of Lesotho in Beijing

2. Ms. Mamotseare C. Mphutlane, Economist, Ministry of Planning

Maldives

1. H.E. Hon'ble Abdul Rasheed Hussain, Minister of State for Presidential Affairs

2. Mr. Ismail Shafeeu, Deputy Minister for Planning and Environment

3. Mr. Mohamed Shihab, Director of External Resources, Ministry of Foreign Affairs

Mali

1. H.E. Mr. Soueyman Dembele, Minister for Planning

2. Mr. Mamadou Namory Traore, Director of International Co-operation

Mauritania

1. H.E. Mr. Ould Moctar Neche Melainine, Ambassador and Director, International Organizations Department

Myanmar

1. H.E. U Min Aung, Deputy Minister, Ministry of Planning and Finance

2. H.E. U Soe Myint, Ambassador of Myanmar to Bangladesh

3. U Soe Thwin, Director-General, Department of Foreign Economic Relations, Ministry of Planning and Finance

4. U Kyaw Tint Swe, Acting Director, Ministry of Foreign Affairs

5. U Saw Hlaing, Assistant Director, Office of the Council of Ministers

6. U Kyaw Myint, First Secretary, Dhaka

7. U Khin Maung, Third Secretary, Dhaka

Nepal

1. H.E. Mr. Shailendra Kumar Upadhyay, Foreign Minister

2. H.E. Dr. Mohan Prasad Lohani, Ambassador of Nepal to Bangladesh

3. Mr. Y.K. Silwal, Joint Secretary, Foreign Ministry

4. Mr. Bhupal Man Shakya, Under Secretary, Ministry of Finance

5. Mr. Tej P. Koirala, Section Officer, Foreign Ministry

6. Mr. Madhab Ghimire, Section Officer, National Planning Commission

Niger

1. Mr. Hamidou Hassane Diallo, Director of International Organizations, Ministry of Foreign Affairs and Co-operation

Rwanda

1. H.E. Col. Aloys Nsekalije, Minister for Industry and Handicrafts and member of the Central Committee of the ruling party (MRND)

2. Mr. Twagirayezu Alexis, Director-General, Ministry of Planning

3. Mr. Dominique Savio Mulindahabi, Director, Ministry of Foreign Affairs and International Co-operation

Sierra Leone

1. H.E. Hon'ble Dr. Shekah Kanu, Minister of Economic Planning and National Development

2. Mr. T.M. Kortequee, Civil Servant

Somalia

1. H.E. Mohamed Mohamud Garad, Director-General of International Organizations, Department of the Ministry of Foreign Affairs

2. H.E. Mr. Mohamed Osman Omar, Ambassador of Somalia to India

Sudan

1. H.E. Dr. Farouq El-Bushra, Minister of Trade, Co-operation and Supply

2. H.E. Ambassador Awad Mohamed El-Hassan, Director for the Economic Department, Ministry of Foreign Affairs

Togo

1. H.E. Ambassador Koffi Adjoyi, Permanent Representative in New York

2. Mr. Latevi-Atcho Lawson, Director, Economic Co-operation, Foreign Ministry

Uganda

1. H.E. Mr. Mathew Rukikaire, Minister of State for Planning and Economic Development

United Republic of Tanzania

1. Mr. A.G.K. Mwakapugi, Assistant Director of External Sector, President's Office, Planning Commission

Vanuatu

1. H.E. Mr. Donald Kalpokas, Foreign Minister

2. Mr. Jean-Pierre Nirua, Acting Director, National Planning and Statistics Office

Yemen Arab Republic

1. Mr. Saeed Mohamed Kasem, Under Assistant Secretary, Central Planning Organization and Director-General of Technical Assistance Projects, Ministry of Development

Special Invitees

1. His Exellency Mr. K.K.S. Dadzie, Secretary-General, UNCTAD and Secretary-General of the Second United Nations Conference on the Least Developed Countries

2. H.E. Mr. Henri Servant, Ambassador and Co-ordinator of the Government of France for the Second United Nations Conference on the Least Developed Countries

UNCTAD SECRETARIAT

1. Mr. Y. Berthelot, Deputy Secretary-General, UNCTAD

2. Mr. P.N. Pant, Executive Secretary, United Nations Conference and Chief, Special Programme for Least Developed Countries, UNCTAD

3. Mr. Pedro Roffe, Chief, Liaison Office, New York

4. Mrs. G. Wegener, Deputy Executive Secretary for the Conference and Chief, International Support Measures Section, Special Programme for LDCs

5. Mr. M.A. Ngororano, Chief, Land-Locked and Island Developing Countries Section, Special Programme for LDCs

6. Mr. Sham Bathija, Economic Affairs Officer, Special Programme for LDCs

7. Mr. A. Abbas, Special Assistant to the Executive Secretary of the Conference

8. Mrs. Kamala Narasimhan, Administrative Assistant, Special Programme for LDCs

UNITED NATIONS

1. Mr. J.D. Whaley, Director for Operational Activities, Office of Director-General of the United Nations for Development and International Economic Co-operation

UNDP

1. Mr. Tufan Bener, LDC Co-ordination Unit, UNDP

UNITED NATIONS CAPITAL DEVELOPMENT FUND

1. Mr. G. de Kalbermatten, Chief, Policy Planning and Evaluation Unit

ECONOMIC COMMISSION FOR ASIA AND THE PACIFIC

1. Mr. S.P. Upadhyay, Chief, LDCs Section, Development Planning Division

UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS

1. Dr. Azizul Islam, Senior Transnational Corporations Affairs Officer

V. LIST OF DOCUMENTS

A. Main documents

1. Draft declaration by the Ministers of the Least Developed Countries at their meeting in Dhaka, Bangladesh

2. Contribution to a draft ministerial declaration by the representatives of least developed countries based in Geneva

B. Background documents

1. The Substantial New Programme for the 1980s for the Least Developed Countries

2. Elements for a Programme of Action for the 1990s for the Least Developed Countries

3. Least Developed Countries, 1988 Report

4. Final Act of UNCTAD VII

5. Report of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, A/CONF.147/PC/2, TD/B/AC.17/30, A/CONF.147/DR/6

6. Second United Nations Conference on Least Developed Countries, General Assembly resolution 42/177

7. Declaration by the Conference of Ministers of African Least Developed Countries

8. Report of the Expert Group Meeting in Preparation for the United Nations Conference on the Least Developed Countries (ESCAP)